	Approved For Release 2009/01/13: CIA-RDP80-00810/ CLASSIFICATION CENTRAL INTELLIGENCE AGENCY INFORMATION REPORT	25X1 REPORT CD NO. 25X1
COUNTRY	East Germany	DATE DISTR 4 November 1955
SUBJECT	Excerpts from the Decision of the East German Council of Ministers on the Economic Plan for 1956	NO. OF PAGES # 14
PLACE ACQUIRED	aconomic tran for 1930	NO. OF ENCLS.
DATE OF INFO.		SUPPLEMENT TO 25X1 REPORT NO.

ď.				3647	2.16					40.00	3
	THIS OF TH	BOCA NI BA	SENT (ONTAIN	SINFOR	HATION .	AFFECTION	S THE H	ATIONAL	DEFENSE ONS 793 R REVEL- PERSON HISITED.	
	484	194. 6	OF THE	U. S.	CODE, AS	VAEMD	D. ITS	TRANSU	1551000	R REVEL-	N
	(3 00	OHIB	790 BI	LAW	THE RE	PROBUCI	ION OF	THIS FOI	PIORIZED RE IS PRO	PERSON HIBITED.	鬸
Z,		新沙			100				1182	Mishieu.	

THIS IS UNEVALUATED INFORMATION

25X1

- 1. The Council of Ministers approves the most important items (Hauptaufgaben) for the development of the economy in 1956, as prepared by the State Planning Commission in cooperation with the ministries, the state secretariats, the central state organs, and the <u>Bezirk</u> councils.
- 2. In 1956, the first year of the second Five-Year Plan, a high rate of increase in industrial production is to be attained. The favorable rate of plan achievement in the first half of 1955 indicates that the Economic Plan for 1955 as a whole will be over-fulfilled. Therefore, the preparation of the Economic Plan for 1956 (Production Plan) is not to be based upon the 1955 plan, but upon the fulfillment or the expected achievement under the Economic Plan for 1955. In other words, the percentages accompanying the control figures refer to prospective fulfillment of the 1955 Plan.
- 3. In preparing the Economic Plan for 1956 in the enterprises, the ministries, and other places, it is most important that the maximum increase in production be reached in the following positions:

Brown coal Briquettes Pig iron Raw steel Copper Steel plate Lead*

Calcium-carbide Nitrogen

Synthetic rubber Gasoline (Benzin)

Cement

Pre-fabricated concrete Wall and roof tile

*All reserves of iron scrap and nonferrous metal waste are to be utilized.

4. Industrial gross production for 1956 is to be set at 109 percent of the expected fulfillment figures for 1955.

the state of the s	Line Cond. and Lon Con 1	a .
CLASSIFICATION		2
STATE #X NAVY # BOOK TO A TO THE STATE OF TH	- PIENTIBUTION I A	2
ARMY. #X AIR ARM Brues	22A A	

25X1 25X1 a. The formula to be used for calculating the production of individual branches of industry is as follows:

1956 planned gross production at standard prices, taking 1955 expected gross production in standard prices as 100, and expressing the result in percentages.

- b. Production of the socialized enterprises in 1956 is to be set at 109.3 percent of the prospective 1955 fulfillment figures.
- c. Gross production of local VEBs is to be set at 110 percent of the presumptive fulfillment figures of 1955. The production of consumer goods and of building materials especially is to be increased.
- d. Private enterprises are to set their production at 104.1 percent of 1955 figures.
- e. East German handicraft is to set its production at 106.2 percent of 1955.
- 5. The construction industry is to set its production at 109.1 percent of the 1955 figures.
- Exports are to be set at 109.4 percent of the 1955 Plan, and imports at 102 percent.
- 7. a. Governmental investments in 1956 will be raised 22 percent above those for 1955. In individual branches of industry, the investment increase will be as follows:

Coal	33 %	increa
Chemistry	35 %	
Metallurgy	28 %	
Power	8 %	
Building materials	106 9	, "

- b. The proportion of governmental investments allotted to equipment is to be increased over that of the previous year, and in centrally controlled industry by 66 percent.
- c. Agricultural investments, including those of LPGs, are to be increased 14 percent. The Minister of Agriculture and Forestry is to give priority to the expenditure of 50,000,000 DME to eliminate the deficiencies in VEO hog-fattening and 25,000,000 for additional training of VEG apprentices.
- d. Governmental housing, including Stalinstadt and ore mining districts, is to be raised by 4 percent. An approximate total of 1,350,000,000 DME is to be made liquid for all housing construction, including licenses (Lizenzen), building savings, and workers' home building associations.
- e. Funds for the domestic economy of the IPGs are to be raised 40 percent and for workers' home construction 27 percent.
- 8. a. In the socialized enterprises, work productivity is to be raised by 107 percent in comparison with 1955 fulfillment figures. The percentages of increased work productivity for individual ministries are:

Heavy Industry	108 % increase	
Heavy Machine Construction	110 % "	
General Machine Construction	110.1 "	ILLEGIB
Light Industry	105.5 " 106.3 "	ILLLGID
Wood Industry	106.3	

b. Average wages in the socialized enterprises are to be raised by 101.4 percept of 1955.

	Approved For Release 2009/01/13 : CIA-RDP80-00810A008300390003-8	·
•	SECRE	
X		·
	b. In local State-owned industry, costs of production are to be lowered 4 percent in comparison with presumptive 1955 fulfillment.	25X1
lo.	In public education, the principal tasks are further construction of country schools, construction of the 10-year schools, and development of higher technical education. In the advanced schools, the professional, political, and economic education of the students is to be markedly improved. The capacity of the universities and advanced schools is to be expanded, especially the Dresden Engineering College. Expansion of motion picture houses in the country districts is to be undertaken. Construction of an opera house in Leipzig is to be begun.	
1.	In the area of health and social measures, the emphasis is to be placed on improvement of the existing facilities, expansion of the new madical academies, and the creation of new space in heliday and nursing homes. Health facilities in the country districts are to be extended and provided with better medical personnel.	
2.	Preparatory work for the "Schwarze Pumpe" coal combine is to be accelerated so that briquette production can be started at the beginning of 1959.	
3.	The Ministry of Food Industry is to see that beet-processing capacity is expanded by 1,800 tons per day before the 1956 harvest.	
.4 .	The ministers, state secretaries, chiefs of central state organs, and chairmen of Bezirk councils are instructed to draw up plans for material requirements for all materials in the nomenclature of the State Plan. Material requirements must be justified by material consumption norms and/or technical-economic key figures of material consumption corresponding to the priorities (Ordnung) of material planning. From the material requirement plans of the ministries and the Bezirk councils, the planned development of inventories in the hands of industrial consumers must go forward (hervorgehen in consonance with the plan proposals for the Finance Plan. To the material requirements plans is to be attached also a proof of the percentage of lowering of material requirements for the most important positions as well as the percentage of average lowering of inventories (Vorraete) in comparison with the year before.	•
5.	The still existing differences in the control figures of the Building Construction Plan, to the extent of 350,000,000 DME, must be removed before the presentation (Vorlage) of the Economic Plan of 1956.	
5.	In preparing the plan, the production of cement, and (in coordination with the <u>Bezirks</u>) the production of wall tile, roof tile, and pre-fabricated concrete is to be reexamined with the aim of raising the plan proposal above the control figures.	
7.	The ministers of the industrial ministries are instructed to notify Heinrich Rau before 15 August 1955 of at least 80 percent of their import requirements in the framework of the control figures for standard metal sheet, in order to secure the satisfaction of our needs in the sheet metal program of friendly countries.	
3.	The Mayor of Greater Berlin, Friedrich Ebert, is made responsible for taking more effective measures, in conjunction with the Ministry of Interior, to prevent the emigration of construction workers from the democratic sector and from the border areas of Greater Berlin into the Western sector.	
. 0	Comment: It is known that, in 1955, prices paid to VEGs for deliv- sries were increased substantially in order to enable them to show profits	25X1

Comment: LPG - Landwirtschaftliche Produktionsgenossenschaften

Comment: VEG - Volkseigene Gueter (nationalized farms).

The same of the sa

25X1

25X1

(agricultural production cooperatives).

